

EXHIBIT E

ABBEEY LANE QUILTS, LLC

VS

OWEN

COURT HEARING

February 12, 2018



333 South Rio Grande
Salt Lake City, Utah 84101
www.DepoMaxMerit.com

Toll Free 800-337-6629
Phone 801-328-1188
Fax 801-328-1189

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106	<p>1 A Yes.</p> <p>2 Q Okay. And that was ostensibly because you</p> <p>3 claim that somebody at the State of California said</p> <p>4 you needed it for a tax -- or business tax license</p> <p>5 for the State of California, correct?</p> <p>6 A Yes. They suggested we get one to make it</p> <p>7 easier for them.</p> <p>8 Q Okay. And you hadn't needed one the prior</p> <p>9 three years that you'd been (inaudible) California,</p> <p>10 correct?</p> <p>11 A They were able to pull whatever information</p> <p>12 they needed, but this year there was no information.</p> <p>13 Q And so then you went to the website and you</p> <p>14 entered the information for Abbey Lane Quilts on</p> <p>15 their website, correct?</p> <p>16 A What website?</p> <p>17 Q The California taxing authority's website</p> <p>18 when you got your temporary tax license.</p> <p>19 A Yes.</p> <p>20 Q You went on the website to do it, right?</p> <p>21 A Yes.</p> <p>22 Q And the website has a series of fill-ins</p> <p>23 where you put the name of the company, the address,</p> <p>24 things like that, and then you get to a drop-down</p> <p>25 where it asks you to put your business entity in the</p>	107	<p>1 drop-down, does it not? What type of business entity</p> <p>2 you are.</p> <p>3 A Okay.</p> <p>4 Q Do you remember this?</p> <p>5 A Well, I remember going -- they were walking</p> <p>6 me through it.</p> <p>7 Q Maybe this will help you recall.</p> <p>8 A I would assume that.</p> <p>9 Q Ma'am, I've handed you what's been marked</p> <p>10 as Exhibit 5 -- or Defendants' Exhibit 5 for</p> <p>11 identification. Does that look like the website that</p> <p>12 you went to to enter the Abbey Lane Quilts</p> <p>13 information for the California Department of Tax and</p> <p>14 Fee Administration?</p> <p>15 A I suppose so.</p> <p>16 Q Okay. It doesn't look familiar to you?</p> <p>17 A It was a long time ago.</p> <p>18 Q Okay.</p> <p>19 A I look at a lot of pages on the Internet.</p> <p>20 Q Okay. Well --</p> <p>21 A So I assume it was.</p> <p>22 Q Does that not have a drop-down that has a</p> <p>23 different type of business entities, such as</p> <p>24 corporations, estate --</p> <p>25 MR. RUDD: Your Honor, I'm just going to</p>
108	<p>1 object, really, as to relevance here, because it</p> <p>2 appears counsel is putting a blank form in front of</p> <p>3 the witness and -- so there's no information filled</p> <p>4 into it, so --</p> <p>5 THE COURT: Well, the problem is, she said,</p> <p>6 "I don't know anything about this," so it probably</p> <p>7 gets beyond that hurdle. Yeah, it's --</p> <p>8 MR. RUDD: And there's no foundation to</p> <p>9 this form. I mean, we haven't --</p> <p>10 THE COURT: Right.</p> <p>11 MR. RUDD: -- really laid a foundation. I</p> <p>12 will stipulate that it appears to be from</p> <p>13 california.gov, but other than that, it --</p> <p>14 THE COURT: But unless she's never seen it</p> <p>15 before --</p> <p>16 MR. RUDD: Correct.</p> <p>17 THE COURT: -- it wouldn't make any</p> <p>18 difference, so --</p> <p>19 Q (BY MR. FARRELL) So it's your claim you've</p> <p>20 never seen this -- this screenshot of this --</p> <p>21 A No. I -- I don't -- I assume it is. As</p> <p>22 you're going through all of these, they kind of all</p> <p>23 look alike, but yes.</p> <p>24 Q Okay. Okay. Now, you've claimed that all</p> <p>25 patterns, designs, products, website were created</p>	109	<p>1 through Abbey Lane Quilts. Am I correct in that</p> <p>2 assertion?</p> <p>3 A Yes.</p> <p>4 Q Okay. You'd agree that they were not</p> <p>5 created by Abbey Lane Quilts, LLC, correct?</p> <p>6 A They belong to Abbey Lane Quilts.</p> <p>7 Q Are you claiming they belong to Abbey Lane</p> <p>8 Quilts, LLC?</p> <p>9 A I think they're the same thing.</p> <p>10 Q Okay. Well, regarding this LLC, now, you'd</p> <p>11 agree that Abbey Lane Quilts, LLC would not have been</p> <p>12 able to create any designs, any product, or any</p> <p>13 websites or anything of that manner until it was</p> <p>14 actually constituted on December 21st of 2017? You'd</p> <p>15 agree with that, would you not?</p> <p>16 A Can you repeat that for me?</p> <p>17 Q Sure. Sure. Abbey Lane Quilts, LLC does</p> <p>18 not get created until December 21st of 2017? You'd</p> <p>19 agree with that, right?</p> <p>20 A 2016.</p> <p>21 Q Of '16. I'm sorry. December 21st, 2016 is</p> <p>22 the first time Abbey Lane Quilts, LLC has ever -- any</p> <p>23 paperwork is ever filed for that, correct?</p> <p>24 A Yes.</p> <p>25 Q So at that point in time is the first time</p>

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<p style="text-align: right;">110</p> <p>1 it's ever been created, so all the patterns and</p> <p>2 everything that's been done before then was all Abbey</p> <p>3 Lane Quilts, correct, in your testimony?</p> <p>4 A Yes.</p> <p>5 Q Okay. Because there's no way Abbey Lane</p> <p>6 Quilts, LLC could have created anything before it was</p> <p>7 even in existence, right?</p> <p>8 A Right.</p> <p>9 Q Okay. Now, you also claim that Abbey Lane</p> <p>10 Quilts never wrote a check or gave any money to Lone</p> <p>11 Star Promotions; is that correct?</p> <p>12 A Yes.</p> <p>13 Q Okay. You were aware of Lone Star</p> <p>14 Promotions, though, right?</p> <p>15 A Marcea had told me about Lone Star.</p> <p>16 Q Okay. She told you about that back in</p> <p>17 2008, correct?</p> <p>18 A Right. She told me it was a bogus company</p> <p>19 that she was using to write off her camera equipment</p> <p>20 when she took pictures for Abbey Lane.</p> <p>21 Q Okay.</p> <p>22 A Had nothing to do with Abbey Lane.</p> <p>23 Q Okay. Well, she didn't tell you that that</p> <p>24 is how -- and you created a company called "Quilted</p> <p>25 Stitch By Stitch," correct?</p>	<p style="text-align: right;">111</p> <p>1 A I had started that, but once we started</p> <p>2 Abbey Lane, I didn't do anything with it. It was a</p> <p>3 company that was for quilting.</p> <p>4 Q Okay. And you never did anything with it?</p> <p>5 A No.</p> <p>6 Q But you renewed your business license up</p> <p>7 until 2012, didn't you?</p> <p>8 A I don't remember whether I did. If you say</p> <p>9 I did, I did. I never had a -- I never sold anything</p> <p>10 to it. I never ran any money through it.</p> <p>11 THE COURT: What is it?</p> <p>12 MR. FARRELL: It's from Oviedo -- City of</p> <p>13 Oviedo tax receipt. It shows that -- one through</p> <p>14 2012 and then they declared it inactive in 2016.</p> <p>15 Q Ma'am, I've handed you what's been marked</p> <p>16 as Defendants' Number 6, and that's from the Oviedo</p> <p>17 Tax Department --</p> <p>18 A Okay.</p> <p>19 Q -- for Quilted Stitch By Stitch.</p> <p>20 A Okay.</p> <p>21 Q Does that indicate that you had a business</p> <p>22 license through two thousand -- or renewed the</p> <p>23 business license through 2012?</p> <p>24 A I -- it looks like I did renew a business</p> <p>25 license.</p>
<p style="text-align: right;">112</p> <p>1 Q Okay. And so you actually did have that</p> <p>2 business through 2012, correct?</p> <p>3 A I had a business license.</p> <p>4 Q Okay. And when you and Ms. Owen began</p> <p>5 Abbey Lane Quilts, the division of labor was going to</p> <p>6 be that Ms. Owen would do creative, and then you</p> <p>7 would do quilting and back office, and Ms. Owen would</p> <p>8 be doing the designs, preparing technical directions,</p> <p>9 things like that, correct?</p> <p>10 A Not quite in that manner, no.</p> <p>11 Q But there would be a separation of who did</p> <p>12 what, correct?</p> <p>13 A There was input on most everything from</p> <p>14 both of us.</p> <p>15 Q Okay.</p> <p>16 A It wasn't, "You do this and I do that and</p> <p>17 there's no" --</p> <p>18 Q So it's your claim that you designed all</p> <p>19 the patterns?</p> <p>20 A No, I did not design all the patterns.</p> <p>21 Q How many patterns did you design?</p> <p>22 A By myself, I don't think I designed any.</p> <p>23 Q Okay.</p> <p>24 A On the other hand, without -- Marcea,</p> <p>25 without my input, did not design any by herself.</p>	<p style="text-align: right;">113</p> <p>1 Q Okay. Now, you claim -- getting back to my</p> <p>2 other question I started into, you claim that Abbey</p> <p>3 Lane Quilts never gave any money to Lone Star; is</p> <p>4 that correct?</p> <p>5 A Not that I'm aware of.</p> <p>6 Q Okay. You received all the checkbooks</p> <p>7 back, though, right, after checks were written?</p> <p>8 A Yes.</p> <p>9 Q Ma'am, I'm handing you what's been marked</p> <p>10 as Defendants' Composite Exhibit No. 7. What is that</p> <p>11 document?</p> <p>12 A It looks to be copies of some checks.</p> <p>13 Q Okay. What does it say in the memo line?</p> <p>14 A "Lone Star."</p> <p>15 Q Okay. Was that a check from Abbey Lane</p> <p>16 Quilts?</p> <p>17 A It was a check to Marcea Owen.</p> <p>18 Q Okay. And -- but it has "Lone Star" in the</p> <p>19 memo line, does it not, ma'am?</p> <p>20 A It does, but once she cashes that check, I</p> <p>21 don't know what she does with it.</p> <p>22 Q Okay. But she was -- Lone Star was an LLC</p> <p>23 that she operated, correct?</p> <p>24 A Yes.</p> <p>25 Q Okay. And the amount --</p>

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<p style="text-align: right;">134</p> <p>1 about it.</p> <p>2 Q Because you didn't talk to her?</p> <p>3 A I don't recall her talking to me, either.</p> <p>4 Q You knew that if Abbey Lane Quilts did not</p> <p>5 go to Market in May of 2017, that that would look bad</p> <p>6 on Abbey Lane Quilts, would it not?</p> <p>7 A Not necessarily. There's always</p> <p>8 emergencies into why people have to cancel their</p> <p>9 shows.</p> <p>10 Q Okay.</p> <p>11 A It is not unheard of.</p> <p>12 Q But it doesn't look good, does it?</p> <p>13 A If it's an emergency or if it's something</p> <p>14 out of the control, it doesn't matter.</p> <p>15 Q And then Ms. Owen shows up by herself.</p> <p>16 When -- does she have to leave the booth alone when</p> <p>17 she goes to the restroom?</p> <p>18 A We've always taken someone with us.</p> <p>19 MR. RUDD: Your Honor, I'm sorry.</p> <p>20 (Inaudible) we're talking about the witness using the</p> <p>21 restroom.</p> <p>22 THE COURT: Yeah. I think we've beat this</p> <p>23 to death, Mr. Farrell. I've heard -- we've been down</p> <p>24 this road two or three times. Let's get on to</p> <p>25 something else. Can we?</p>	<p style="text-align: right;">135</p> <p>1 MR. FARRELL: Okay.</p> <p>2 Q All right. Now, Abbey Lane Quilts, LLC --</p> <p>3 I believe it's your position that Abbey Lane Quilts</p> <p>4 converted from a partnership into an LLC in December</p> <p>5 of 2017. Is that your position?</p> <p>6 A I know I filed the papers for an LLC, yes.</p> <p>7 Q But other than filing these articles of</p> <p>8 incorporation on December 21st of 2016, you did not</p> <p>9 do anything in furtherance of this LLC, did you?</p> <p>10 A No, I did not.</p> <p>11 Q Okay. There's no purchase agreement</p> <p>12 between Abbey Lane Quilts and Abbey Lane, LLC,</p> <p>13 wherein Abbey Lane Quilts, LLC buys the assets of</p> <p>14 Abbey Lane Quilts, is there?</p> <p>15 A No.</p> <p>16 Q Okay. There's no purchase agreement from</p> <p>17 Abbey Lane Quilts, LLC purchasing the partnership</p> <p>18 assets or the partnership of Marcea Owen, is there?</p> <p>19 A No.</p> <p>20 Q Okay. There's no written agreement between</p> <p>21 Abbey Lane Quilts whatsoever and Abbey Lane Quilts,</p> <p>22 LLC, is there?</p> <p>23 A No.</p> <p>24 Q Okay. There's no tender of any monies from</p> <p>25 Abbey Lane Quilts, LLC to Abbey Lane Quilts, is</p>
<p style="text-align: right;">136</p> <p>1 there?</p> <p>2 A No.</p> <p>3 Q Okay. There was never any agreement by</p> <p>4 Abbey Lane Quilts, LLC to undertake the liabilities</p> <p>5 of Abbey Lane Quilts, is there?</p> <p>6 A No.</p> <p>7 Q By the way, when Abbey Lane Quilts, LLC</p> <p>8 came up for renewal in May of 2017, you didn't even</p> <p>9 file that, did you?</p> <p>10 A At the time, I was blocked out of</p> <p>11 everything.</p> <p>12 Q Okay. You weren't blocked out of the State</p> <p>13 of Florida website, were you, ma'am?</p> <p>14 A No.</p> <p>15 Q Okay. But -- so you didn't file that, did</p> <p>16 you?</p> <p>17 A No. I was not doing anything with Abbey</p> <p>18 Lane Quilts at the time.</p> <p>19 Q Okay. You don't have any written agreement</p> <p>20 with Ms. Owen regarding the formation of Abbey Lane</p> <p>21 Quilts, LLC, do you?</p> <p>22 A No. I think we've already gone over this.</p> <p>23 Q You have no written plan of conversion of</p> <p>24 Abbey Lane Quilts to Abbey Lane Quilts, LLC; is that</p> <p>25 correct?</p>	<p style="text-align: right;">137</p> <p>1 A Yes.</p> <p>2 Q You have no written plan that includes the</p> <p>3 name and form of the company of Abbey Lane Quilts</p> <p>4 before the conversion to an LLC, do you?</p> <p>5 MR. RUDD: Can you ask that again? I'm</p> <p>6 sorry.</p> <p>7 (BY MR. FARRELL) There is no written plan</p> <p>8 which includes the name and form of the company of</p> <p>9 Abbey Lane Quilts before the conversion to Abbey Lane</p> <p>10 Quilts, LLC, do you?</p> <p>11 A There is nothing, no.</p> <p>12 Q No written plans whatsoever, right?</p> <p>13 A Right.</p> <p>14 Q Okay. No written plan or documents that</p> <p>15 establishes the terms and conditions of the</p> <p>16 conversion of Abbey Lane Quilts partnership to Abbey</p> <p>17 Lane Quilts, LLC?</p> <p>18 A Yes.</p> <p>19 Q You never filed a certificate of conversion</p> <p>20 with the State of Florida, did you?</p> <p>21 A No.</p> <p>22 Q You never changed the identity of Abbey</p> <p>23 Lane Quilts to Abbey Lane Quilts, LLC with any of the</p> <p>24 vendors or distributors, did you?</p> <p>25 A No. They were the same thing.</p>

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<p style="text-align: right;">138</p> <p>1 Q There was never any written agreement that</p> <p>2 Abbey Lane Quilts, LLC would succeed Abbey Lane</p> <p>3 Quilts, is there?</p> <p>4 A No.</p> <p>5 Q And, really, the only reason you did the</p> <p>6 formation of the LLC was because you thought</p> <p>7 California required this for the registration to the</p> <p>8 Road To California, right?</p> <p>9 A Yes.</p> <p>10 Q Okay. It was for no other purpose, right?</p> <p>11 A Yes.</p> <p>12 Q Okay. Now, as far as when you all would</p> <p>13 create quilting patterns, you'd agree that sometimes</p> <p>14 the quilting patterns, you would allow members of the</p> <p>15 public, friends, people at the quilt- -- local</p> <p>16 quilting stores to look at the patterns before they</p> <p>17 were in their final form, would you not?</p> <p>18 A It was more like a focus group, yes, to get</p> <p>19 their opinions on.</p> <p>20 Q Okay. But these were people that were</p> <p>21 outside of Abbey Lane Quilts, right?</p> <p>22 A A very small circle.</p> <p>23 Q Okay. Were they ever given any type of</p> <p>24 confidentiality agreements?</p> <p>25 A No. I think it was understood that these</p>	<p style="text-align: right;">139</p> <p>1 were not in their final form.</p> <p>2 Q Okay.</p> <p>3 A And that we were going to introduce them as</p> <p>4 new patterns.</p> <p>5 Q Okay. Did vendors ever complain to either</p> <p>6 you or Ms. Owen regarding checks not being deposited</p> <p>7 in a timely manner?</p> <p>8 A Yes. There was one instance.</p> <p>9 Q Okay. Was there also an instance where a</p> <p>10 vendor complained that they had \$12,000 worth of</p> <p>11 payables, but they never received an invoice from --</p> <p>12 MR. RUDD: Your Honor, I'm going to object</p> <p>13 on a relevance standard. I can't see how this is</p> <p>14 applicable to a Rule 65(a) preliminary injunction,</p> <p>15 but I guess counsel can respond.</p> <p>16 THE COURT: Go ahead.</p> <p>17 MR. FARRELL: It is relevant, Judge, in the</p> <p>18 fact that we're talking -- there's -- we've got the</p> <p>19 LLC. That -- I think that's -- that's a red herring.</p> <p>20 But the -- as far as the good name of the company,</p> <p>21 the fact that Ms. Owen -- or Ms. Liljenquist is</p> <p>22 allowing payables and allowing these vendors to think</p> <p>23 that there's poor bookkeeping really tarnishes the</p> <p>24 good name of Abbey Lane Quilts, and to require</p> <p>25 Ms. Owen to go back into business with</p>
<p style="text-align: right;">140</p> <p>1 Ms. Liljenquist when she can't do these rudimentary</p> <p>2 bookkeeping operations really is the harm that's</p> <p>3 going to incur to Ms. Owen.</p> <p>4 THE COURT: You know, I -- I mean, I</p> <p>5 understand the argument, but I just feel like we're</p> <p>6 getting so far afield. We're not here to try the</p> <p>7 case, although I feel like we have. I mean, this is</p> <p>8 a preliminary injunction. You asked for a half a</p> <p>9 day. I have a feeling we're not even close to</p> <p>10 finishing.</p> <p>11 MR. FARRELL: Well, Judge, I mean, the --</p> <p>12 THE COURT: I just feel like we need to</p> <p>13 focus on one issue, and that's the issue of the</p> <p>14 preliminary injunction. I'm not here to -- I'm not</p> <p>15 the trier of fact. I'm not going to make a ruling on</p> <p>16 the bottom line here, but I just feel like we are</p> <p>17 just drifting so far afield.</p> <p>18 MR. FARRELL: I understand, Judge, but part</p> <p>19 of the harm -- because the -- in the four elements</p> <p>20 here, we -- they've got to address irreparable harm.</p> <p>21 I don't think they have. But I also do need to</p> <p>22 address the other three elements of this, one of</p> <p>23 which is what is the harm that would harm my client,</p> <p>24 and this would harm my client if the Court were to</p> <p>25 grant the injunction.</p>	<p style="text-align: right;">141</p> <p>1 THE COURT: I just -- I don't see it. I</p> <p>2 really don't. So I'm going to sustain the objection</p> <p>3 at this point.</p> <p>4 MR. FARRELL: Okay.</p> <p>5 Q When Ms. Owen had told some of the vendors</p> <p>6 to have the checks delivered to her business address</p> <p>7 here in North Ogden, that wouldn't have prevented</p> <p>8 Abbey Lane Quilts from continuing to operate, would</p> <p>9 it, ma'am?</p> <p>10 A Operating as it usually would, yes, it</p> <p>11 would, but no.</p> <p>12 Q Because Ms. Owen was equally capable of</p> <p>13 depositing checks, sending invoices, that type of</p> <p>14 thing, correct?</p> <p>15 A Right. It made me nervous because of her</p> <p>16 financial situation and how she continually took</p> <p>17 money out without my authorization.</p> <p>18 Q Okay. Well, the only claim they -- of</p> <p>19 money that you claim she took was \$3,000 in early</p> <p>20 2016 and \$1,000. She paid back the \$3,000, right?</p> <p>21 A Yes.</p> <p>22 Q And the \$1,000, you claim she didn't pay it</p> <p>23 back, but you ultimately recaptured it at the end of</p> <p>24 the year?</p> <p>25 A Right.</p>

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210	<p>1 telling me something different, which makes the case</p> <p>2 very difficult, not just for the preliminary</p> <p>3 injunction but for the trial. It would have been so</p> <p>4 much easier had they sat down with a lawyer and</p> <p>5 drafted some kind of written agreement here, but it</p> <p>6 didn't happen, so -- and there's a lot of finger</p> <p>7 pointing between the two sides. You know, "You took</p> <p>8 money from the company without authorization."</p> <p>9 "Well, so did you," and back and forth. And, again,</p> <p>10 that's all for trial. I don't know that that has</p> <p>11 really much bearing on a preliminary injunction.</p> <p>12 But as I read it -- and, again, I agree</p> <p>13 with Mr. Rudd. The purpose of Rule 65 is to preserve</p> <p>14 the status quo. I think that was right on the money.</p> <p>15 And that's how I read Rule 65, is that we're trying</p> <p>16 to freeze the assets. We're trying to keep things</p> <p>17 the way they were until we get to trial and resolve</p> <p>18 this case, and so, for that reason, I'm going to</p> <p>19 grant the preliminary injunction for the plaintiff.</p> <p>20 Without going through all of the evidence,</p> <p>21 I'll find that the plaintiffs have met the four</p> <p>22 requirements that we have under Rule 65.</p> <p>23 Now, as far as the relief, again, I'll</p> <p>24 grant your request for relief, Mr. Rudd. The only</p> <p>25 one I had any question about is number 6, that the</p>	211	<p>1 decisions that are made have to be unanimous. I</p> <p>2 don't know -- is that going to be possible with these</p> <p>3 two?</p> <p>4 MR. RUDD: Well, I think the request, your</p> <p>5 Honor, is just as a -- if it deviates from the</p> <p>6 general business that they've had for the last ten</p> <p>7 years, so if they want to go and sell cars -- they've</p> <p>8 been selling quilts -- that requires a unanimous</p> <p>9 decision.</p> <p>10 THE COURT: Okay. But I'm just afraid</p> <p>11 you're never going to get these two to agree on</p> <p>12 anything, after listening to today, but -- all right.</p> <p>13 I mean, I'll -- I'll grant the relief the way you're</p> <p>14 requesting it, but I just -- I have some question as</p> <p>15 to whether that will ever succeed, so --</p> <p>16 Now, Mr. Rudd, will you go ahead and</p> <p>17 prepare the order --</p> <p>18 MR. RUDD: I will.</p> <p>19 THE COURT: -- and submit that to</p> <p>20 Mr. Farrell? So --</p> <p>21 MR. FARRELL: I mean, I -- Judge, I just --</p> <p>22 I mean, I need to clarify here. Now, is the Court</p> <p>23 requiring Ms. Owen to work with Ms. Liljenquist?</p> <p>24 THE WITNESS: Well, that's what I'm saying.</p> <p>25 That's my only hesitation. The idea is to put the</p>
212	<p>1 business back where it is. As a practical matter, I</p> <p>2 don't know that they're capable of working together,</p> <p>3 so --</p> <p>4 MR. FARRELL: Well, I mean, we could put</p> <p>5 the business back to where it was at the end of April</p> <p>6 of 2017, which was zero money and zero credit cards,</p> <p>7 and then we can work on the dissolution of the</p> <p>8 company regarding the various assets. That's --</p> <p>9 that's my concern with this injunction, is that</p> <p>10 Ms. Liljenquist hasn't worked with this company in</p> <p>11 ten months. Ms. Owen has been working with a</p> <p>12 different company.</p> <p>13 THE COURT: Right.</p> <p>14 MR. FARRELL: And I understand the Court's</p> <p>15 concern. She can change the name of this new company</p> <p>16 to something that does not -- is not close to Abbey</p> <p>17 Lane and use a different name, but what I want to</p> <p>18 know is, is Ms. Owen going to be forced to work with</p> <p>19 Ms. Liljenquist in this company that has no money?</p> <p>20 THE COURT: Okay.</p> <p>21 MR. RUDD: Your Honor, we are -- she</p> <p>22 would -- let me clarify a little bit.</p> <p>23 THE COURT: Okay.</p> <p>24 MR. RUDD: If the Court would like to --</p> <p>25 and maybe, you know, this is where the Court weighs</p>	213	<p>1 the credibility of the parties, right? I mean,</p> <p>2 that's what the Court is really doing today. If the</p> <p>3 Court would like and they want to put more</p> <p>4 decision-making authority with Ms. Liljenquist since</p> <p>5 for ten years she's handled the books, we can put</p> <p>6 some parameters in there that any revenue over</p> <p>7 \$20,000 will be -- you know, can be distributed, but,</p> <p>8 you know, they're not forced to be in the same room</p> <p>9 together. They're not forced to work together. This</p> <p>10 certainly isn't indentured servitude. As you heard,</p> <p>11 these patterns have five-year lives and things. I</p> <p>12 mean, revenue is going to be coming in. As long as</p> <p>13 the defendant would be receiving her 50 percent share</p> <p>14 through the pendency of this action, then I don't</p> <p>15 think she'd be harmed when we're looking at the</p> <p>16 status quo.</p> <p>17 I understand the Court's concern about, you</p> <p>18 know, unanimous decision. I would welcome if the</p> <p>19 Court would want Ms. Liljenquist and give</p> <p>20 Ms. Liljenquist some specific parameters that, you</p> <p>21 know, she's to make sure her decisions are in the</p> <p>22 best interests of Abbey Lane. She needs to take</p> <p>23 Ms. Owen's, you know, ownership interest into</p> <p>24 consideration. But there's been no pattern that she</p> <p>25 hasn't done that.</p>

ABBEY LANE QUILTS, LLC vs OWEN
Court Hearing

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214	<p>1 THE COURT: Well, my impression is what</p> <p>2 you -- what you really want is that everything go</p> <p>3 back into the original company, right?</p> <p>4 MR. RUDD: Correct. Status quo.</p> <p>5 THE COURT: And that I've granted. But</p> <p>6 what I'm hesitating to do is asking them to work</p> <p>7 together. It's not going to work. Neither one of</p> <p>8 them want to work with each other. They've made that</p> <p>9 very clear. So I'm trying to figure out, how do we</p> <p>10 do this? I'm obviously going to keep the preliminary</p> <p>11 injunction in place --</p> <p>12 MR. RUDD: Okay.</p> <p>13 THE COURT: -- and so there's no selling,</p> <p>14 there's no drawing money down, there's no -- without</p> <p>15 approval from both sides --</p> <p>16 MR. RUDD: Okay.</p> <p>17 THE COURT: -- so there's nothing going on</p> <p>18 behind the scenes, so I don't know how you want to</p> <p>19 word that, but --</p> <p>20 MR. FARRELL: And I think the other</p> <p>21 question I have is how does -- how does this company</p> <p>22 operate when we've got six years of back -- back</p> <p>23 business taxes that need to be paid?</p> <p>24 THE COURT: Again, that's an issue for</p> <p>25 another day.</p>	215	<p>1 MR. RUDD: Correct.</p> <p>2 THE COURT: I don't think that has any</p> <p>3 bearing on the -- I understand the concern, but I</p> <p>4 don't think it's an issue that interferes with the</p> <p>5 preliminary injunction. What I -- what I got out of</p> <p>6 all of this is we want to go back to square one when</p> <p>7 the business was in place, decisions were being made</p> <p>8 by both of them together, as far as who they're</p> <p>9 selling to, how much they're drawing. That's the</p> <p>10 idea, so -- I mean, if you need a third party to make</p> <p>11 the decision -- if -- you know, if Ms. Owen wants to</p> <p>12 talk to you and you talk to Mr. Rudd, that's fine.</p> <p>13 You know, I don't know that they have to communicate</p> <p>14 with each other. Maybe they want to do it through</p> <p>15 the attorneys rather than --</p> <p>16 MR. FARRELL: But -- and the other aspect</p> <p>17 of this is that -- I mean, where is the line drawn?</p> <p>18 Is it pre-April 2nd of 2017 or is -- are we going</p> <p>19 back to everything that Ms. Owen has done for the</p> <p>20 last ten months goes to Ms. Liljenquist?</p> <p>21 MR. RUDD: It doesn't go to</p> <p>22 Ms. Liljenquist, but it goes to the entity, because</p> <p>23 at the end of the day, your Honor, the entity can</p> <p>24 still be divided, it can be split, it can be sold,</p> <p>25 there can be settlements, as long as the entity</p>
216	<p>1 controls, and I think the weight of the evidence is</p> <p>2 that the entity is property.</p> <p>3 THE COURT: Yeah. I -- go ahead and</p> <p>4 prepare the order.</p> <p>5 MR. RUDD: Thank you, your Honor.</p> <p>6 THE COURT: I'll grant the relief and, you</p> <p>7 know, you'll just have to do what you can do.</p> <p>8 MR. RUDD: Thank you.</p> <p>9 THE COURT: Okay? All right. All right.</p> <p>10 We've got all the exhibits here?</p> <p>11 THE CLERK: I believe so, your Honor.</p> <p>12 THE COURT: All right.</p> <p>13 MR. RUDD: Thank you, your Honor.</p> <p>14 THE COURT: All right. Thank you.</p> <p>15 (Record closed and reopened.)</p> <p>16 MR. FARRELL: ...pay Ms. Owen all the debts</p> <p>17 that Ms. Owen has incurred to run --</p> <p>18 THE COURT: Again --</p> <p>19 MR. FARRELL: -- to Abbey Lane?</p> <p>20 THE COURT: -- I think that's for another</p> <p>21 day. That -- that's not what today is all about.</p> <p>22 Today is about granting a preliminary injunction.</p> <p>23 You can deal with all the details in the course of</p> <p>24 discovery and motions and everything else, so -- I'm</p> <p>25 not here today to decide that issue. Okay?</p>	217	<p>1 MR. RUDD: Thank you, your Honor.</p> <p>2 THE COURT: All right.</p> <p>3 (Record closed at 5:59 p.m.)</p> <p>4 * * * *</p> <p>5</p> <p>6</p> <p>7</p> <p>8</p> <p>9</p> <p>10</p> <p>11</p> <p>12</p> <p>13</p> <p>14</p> <p>15</p> <p>16</p> <p>17</p> <p>18</p> <p>19</p> <p>20</p> <p>21</p> <p>22</p> <p>23</p> <p>24</p> <p>25</p>